

Agency: Commerce, Community and Economic Development**Grants to Named Recipients (AS 37.05.316)****Grant Recipient: Homer Electric Association****Project Title:**

Homer Electric Association - South Kachemak Bay Cable Replacement Project

State Funding Requested: \$ 1,000,000**House District: Kenai Areawide (33-35)**

One-Time Need

Brief Project Description:

Replace the transmission line on the south side of Kachemak Bay

Funding Plan:**Total Cost of Project: \$1,200,000**Funding Secured*Amount FY*Other Pending Requests*Amount FY*Anticipated Future Need*Amount FY*

There is no other funding needed

Detailed Project Description and Justification:

HEA provides electric service to 909 meters on the south side of Kachemak Bay, from Halibut Cove to Nanwalek. The power line that serves the area stretches across 80 miles of rugged terrain and is subject to severe weather. May sections of the line are old and reaching the end of the expected life of the line. In addition, segments of the line are either lying on the ground or mounted on trees. The practice of installing tree-supported cable was done many years ago, but today, the tree-supported line does not meet current code and needs to be replaced in order to provide reliable electric service.

Project Timeline:

2008-2009

Entity Responsible for the Ongoing Operation and Maintenance of this Project:

Homer Electric Association

Grant Recipient Contact Information:

Contact Name:Bradley Janorschke

Phone Number:235-8551

Address:3977 Lake Street, Homer, AK 99603

Email:

Has this project been through a public review process at the local level and is it a community priority? ☒ Yes ☐ No



Homer Electric Association, Inc.

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February 26, 2008

Representative Mike Chenault
House Finance Committee Co-Chair
State Capitol, Room 505
Juneau, AK 99801

Dear Representative Chenault,

Thank you for meeting with the HEA board and staff earlier this month to discuss the cooperative's legislative priorities. As you know, our primary request this year is a \$1.2 million dollar appropriation to address the transmission line on the south side of Kachemak Bay. This power line stretches from Halibut Cove to Nanwalek, crossing some very rugged and remote areas.

The age of the line is a concern. Over 50 percent of the line is at least 40 years old and 75 percent of the line has been in place for more than 30 years. In addition, a section of the line is either mounted on trees or lying on the ground. This was done decades ago during the initial installation but is no longer acceptable under current construction practices.

Homer Electric Association is seeking state assistance to help with both the cost of **designing** the cable replacement project (\$500,000) and **replacing** the existing tree-supported cable (\$700,000).

Under normal circumstances, Homer Electric would not seek state funding for a utility replacement project. As a cooperative, our members pay for upgrades through the rates charged for electricity. However in this case, Homer Electric faces unusual challenges.

In many ways, the south Kachemak Bay area can be compared to other remote villages around Alaska. The area served by the power line is remote and accessible only by water or air. The logistics of replacing the line will be very difficult and the project will be much more expensive than a typical line replacement.

Due to the exorbitant cost of construction in rural Alaska, it is not unusual for the state to share in some of the cost of building necessary infrastructure.

Homer Electric believes the south Kachemak Bay cable replacement project falls into this category and respectfully requests that an appropriation of \$1.2 million be considered. This appropriation will not cover the entire cost of the project but will greatly help HEA in its efforts to provide reliable power to the area.

Thank you for your efforts on behalf of the members of Homer Electric Association, Inc.

Sincerely,
HOMER ELECTRIC ASSOCIATION, INC.

A handwritten signature in black ink, appearing to read 'Bradley P. Janorschke', written in a cursive style.

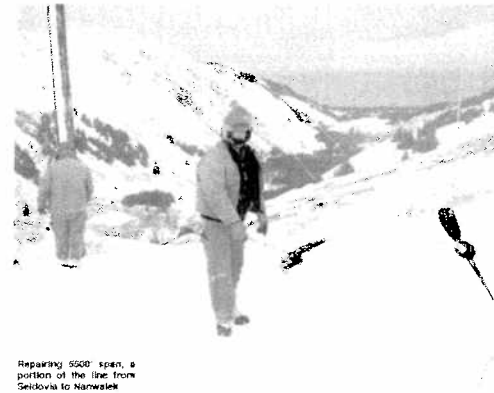
Bradley P. Janorschke

2008 Legislative Priorities

South Kachemak Bay Cable Replacement Project

Homer Electric Association provides electric service to 909 meters on the south side of Kachemak Bay, from Halibut Cove to Nanwalek. The power line that serves the area stretches across 80 miles of rugged terrain and is subject to severe weather, especially during the winter months.

Many sections of the power line are old and reaching the end of the expected life of the line. Approximately 50 percent of the line is over 40 years old and about 75 percent of the line is more than 30 years old. In addition, segments of the line are either lying on the ground or mounted on trees.



The practice of installing tree-supported cable was done many years ago, but today the tree-supported line does not meet current code and needs to be replaced in order to provide reliable electric service to communities such as Halibut Cove, Seldovia, Port Graham and Nanwalek.

Homer Electric Association is seeking state assistance to help with both the cost of designing the cable replacement project (\$500,000) and upgrading the existing tree-supported cable (\$700,000).

Under normal circumstances, Homer Electric would not seek state funding for a utility replacement project. As a cooperative, our members pay for upgrades through the rates charged for electricity. However, in this case Homer Electric faces unusual challenges.

The area served by the power line is remote and accessible only by water or air. The logistics of replacing the line will be very difficult to deal with and the project will be much more expensive than a typical line replacement. In many ways, the south Kachemak Bay area can be compared to other remote villages around Alaska. Due to the exorbitant cost of construction in rural Alaska, it is not unusual for the state to share in some of the cost of building necessary infrastructure.

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